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**EKOPOLIS FOUNDATION AND CENTER FOR PHILANTHROPY -ETP**

**COMMUNITY PHILANTHROPY  
PROGRAMME – SLOVAKIA**

**COMMUNITY FOUNDATION EVALUATION 2002**

*Christine Forrester  
Alena Huptychova*

*November 2002*

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## FOREWORD

We would like to thank all the individuals who give time to meet us during this evaluation particularly as we recognise that everyone had to find time in their busy schedules. We also know that many people spent a lot of time in making the arrangements for all of our meetings, and we are very grateful for all of this assistance.

This final report contains the key findings from the evaluation and identifies some recommendations. A number of appendices, which detail findings from the individual community foundations and associated community grantees, have been omitted from this final report, but the full version can be obtained from the ETP/Ekopolis office in Bratislava.

The main report was written by Christine Forrester and the reports on the community organisations by Alena Huptychova. If we have misunderstood or made errors, the faults are ours.

*Christine Forrester*  
*Alena Huptychova*

*November 2002*

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# COMMUNITY PHILANTHROPY PROGRAMME – SLOVAKIA

## EKOPOLIS FOUNDATION AND CENTER FOR PHILANTHROPY-ETP

### COMMUNITY FOUNDATION EVALUATION 2002

## 1 INTRODUCTION

The Report written in 1998 “Study on Feasibility of Developing Community Philanthropy in Slovakia”<sup>1</sup> noted that Community Philanthropy has the potential to supply social capital to meet a wide range of community needs, including the support of civic activism at the local level, the improvement of the quality of life at the local level, strengthening of communities, and strengthening of modern (non-paternalistic) and participatory behavioural patterns. It would also be able to contribute to the sustainability of the third sector, which was, and is, a critical issue throughout the Region. However, in this context, they noted a range of issues which will impact on sustainability – the legal and political environment and the continuing role of foreign donors were particularly noted. Developing sustained philanthropic behaviour in Slovakia would therefore depend on a number of both internal and external factors, but would need to be accomplished if social capital development is to continue.

These factors for sustained philanthropy development included:

#### **Primary factors**

- ◆ Accumulated (abundant) financial wealth
- ◆ Friendly legal and tax environment
- ◆ Existence of appropriate beneficiaries

#### **Secondary factors**

- ◆ Market economy and social environment supportive to entrepreneurial activities
- ◆ Non-paternalistic expectations
- ◆ Social acceptance of inequalities in wealth distribution
- ◆ Critical level of trust in society
- ◆ Philanthropic tradition

**Other factors** were identified which would help determine the level of community philanthropy:

- ◆ Trust
- ◆ Existence of traditions supportive to philanthropic behaviour
- ◆ Active citizenry and human potential
- ◆ Relatively affluent community
- ◆ Potential for local fundraising
- ◆ Recognised leadership

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<sup>1</sup> Study on Feasibility of Developing Community Philanthropy in Slovakia, Boris Strecansky and Juraj Mesik, Community Philanthropy Development Initiative, July 1998

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- ◆ Ability to mobilise broad community support
  - ◆ Support from main institutions in the community

These factors have been listed as they underlay the Community Philanthropy Development Initiative, which has supported the development of community foundations over the past period. They are also factors which have been important in this evaluation, in looking at achievements to date and at the potential for the future.

The 1998 Report also noted “that there is a significant difference between community philanthropy and community development.”<sup>2</sup> This is an issue which has also arisen in the evaluation of the programme. In the Slovak context, the model of development of community foundations as the vehicle for community philanthropy development may differ from the US model, by needing to take account of the potential for using community development tools and methodologies to develop the local conditions within which local philanthropy can be developed. As noted in the Report “(The) difference is important as it provides a clear view on WHAT is the centre of our effort. But this difference should not mean that efforts focused on stimulating philanthropy culture should only act with limited tools, which may be sometimes inappropriate...”<sup>3</sup>

The 1998 Report is important for two reasons – first, that it formed the basis for the subsequent programme which is the subject of this evaluation; second, that the findings of this evaluation reinforce the validity of that report and its broad scope for the development of philanthropy and particularly community philanthropy in Slovakia. It will be referred to again in this evaluation report.

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<sup>2</sup> Ibid. page 14.

<sup>3</sup> Ibid. page 14.

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## 2 BACKGROUND TO THE PROGRAMME

In 1999, both the ETP/Ekopolis Consortium and OSF submitted applications to the Mott Foundation for funding for programmes to develop community philanthropy and community foundations. Both organisations had been involved in funding and supporting these types of initiatives. The Mott Foundation encouraged the two organisations to collaborate and produce a linked programme which the Foundation would then be prepared to support.

The context for this programme development is clearly outlined in the 1998 Report referred to above, which noted that community foundations “are the most reasonable entities for furthering community philanthropy in Slovakia today”. The report noted the key elements of community foundations (and community foundation-like organisations) in general:

- ◆ To be a registered legal entity (foundation, civic association)
- ◆ Serve a specific geographic area
- ◆ Have an independent diverse Board, representative of the community
- ◆ Have diverse funding sources including local donors from different sectors
- ◆ Be more focused on grant-making than on projects
- ◆ Have or be planning to develop an endowment
- ◆ Support the entire spectrum of community needs and be supported by the whole community

For Slovakia, an additional critical factor for effective community foundations is a clear strategy for organisational development, which includes Board development, grant policy, mission and strategy, fundraising strategy, fund management, staff development, community outreach and access to legal counsel. Community foundations will also have other specific goals: building networks, inspiring new NGOs or civic initiatives, strengthening trust and building social capital in a community.<sup>4</sup>

The overall Programme would therefore focus on how concepts of community philanthropy could be fostered through the development of community foundations and community foundation-like organisations. The ETP/Ekopolis “Your Land” Programme would provide sub-grants for activities which would raise the culture of giving in the community – re-granting programmes, new philanthropic initiatives and organisational development and linked technical support; OSF would provide training and networking programmes. Both organisations are also involved in other initiatives which have an impact on the development of philanthropy and also community development. The Community Philanthropy work therefore does not stand alone, but is linked to other developmental work and programmes.

Goals were set for the Community Philanthropy sub-programme of “Your Land” which included:

- at least five well rooted community foundations and three emerging community foundation-like organisations in Slovakia by the end of the third year
- a community of community foundations that is aware of its interests in a broader national context and is actively exchanging experiences and learning from each other

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<sup>4</sup> Ibid. Page 25

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The community philanthropy program of “Your Land” has a number of separate elements, some of which were on-going (applications to be submitted at any time); others were special grants rounds with specified criteria and focus. A one million crowns challenge grant programme was also run.

Matching funds were provided for the ETP/Ekopolis programme by USAID.

The background to the OSF programme, as it is synergistic with that of the Consortium, needs to be noted here. OSF had developed a community foundation programme, which was originally planned to support community foundations for three years only from 1996. The OSF approach in 1996/7 was to select a few organisations with the potential to become defined community foundations – one of their key criteria was support from local government and they started their programme with this as a condition to get matching funds for re-granting. The main message, therefore that organisations may have received from OSF was about the link between re-granting and money from local government. Their programme at that stage placed no stress on independence from local government or on local fund raising. Their Strategy was to invest for three years and then they hoped that the community foundations would become independent. Presov was one of the foundations assisted in this way. An evaluation in 2000 showed that three years was too short at time to achieve sustainability. The report identified that a number of areas were still underdeveloped – long term planning; financial planning and management; and local fundraising. There was no formal specific training programme for community foundations in place and there was a lack of capacity for community foundations to organise as a network. OSF has identified that after six years of support, foundations will still need assistance to reach sustainability levels, not least because of the economic context in Slovakia within which it is very difficult to build endowment. The future development of OSF programmes is linked to the length of time over which Soros will continue to fund programmes in Slovakia.

It was suggested by more than one interviewee that there is a difference in philosophy between the Consortium and OSF. It was suggested that OSF is less “strict” about how community foundations should look – they do not necessarily require conformity with US model. Hence OSF still includes organisations which are more community development focussed in their training and networking programme, which has had an impact on how the training and networking has operated and the outcomes from this work. The consortium focus is more clearly on community philanthropy development and fund development, particularly relating sustainability to endowment building. However, as noted above, the 1998 Report identified that although there is a difference between community development and community philanthropy, in the Slovak context it may be appropriate for community foundations to use some community development techniques.

This evaluation was not commissioned to look specifically at the work of the OSF programme, and therefore it is not possible to comment in depth on the training aspects of the overall programme. It is clear, however, that the programme across its constituent parts has succeeded in focussing on community foundations and community foundation-like organisations and in starting to clearly define the difference between community foundations and community development organisations.

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### 3 BACKGROUND TO THE EVALUATION

This report has been written in the period of October – December 2002 by Christine Forrester and Alena Huptychova. It is based on a field research conducted between 12 – 23<sup>rd</sup> October in 6 selected communities with community foundations. The data were collected through individual or group interviews and document analysis. Interviews were conducted with the CF staff and Board members, their grantees, local and national donors and other community stakeholders. Comments to this report were provided by the staff of ETP/Ekopolis.

The Mott Foundation had recommended that evaluation should be included for the Programme and provided funding for this purpose. Terms of Reference were drawn up by ETP/Ekopolis and a more detailed framework was drawn up by the consultant. The evaluation team was Christine Forrester and Alena Huptychova.

The **Purpose** of the Evaluation was:

To identify the impact of the programme on the participating communities and on the participating NGOs

To identify areas of improvement for the further continuation of the programme.

The main emphasis was to look at **qualitative** results of the programme.

Key questions were identified in the framework for the evaluation:

◆ **Programme Strategy**

- What was the programme strategy and how it has been implemented?
- Was the strategy appropriate and effective in a given context?
- Has the strategy contributed to a changed context in Slovakia for community foundations?

◆ **Programme Development**

- Programme implementation (What was done well, what activities should have been done in a different way and why? What were expected/unexpected outcomes?)
- Programme goals (Planned vs. actual, results vs. spending, etc.)
- Programme announcement and outreach (Clarity, access, etc.)
- Effectiveness of technical assistance provision (What difference did technical assistance make to the programme participants?)
- Effectiveness of grant-making (What types of grants? What is the view of the grant recipients – what did the grants enable them to achieve?)
- Programme governance (Decision-making, advisory boards, etc. – how did they develop during the course of the programme?)

◆ **Programme Impact**

What have the programme outcomes been and the programme impact on:

- communities which have received funding from the programme
- organisations that have been supported from the programme
- programme implementers – i.e. the Consortium of Ekopolis Foundation and ETP Slovakia

◆ **Future plans of programme beneficiaries and of programme implementers**

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- Programme sustainability; sustainability potential of the programme beneficiaries

- ◆ **Perceptions of programme among the beneficiaries and other donors**

Within these broad areas for evaluation, some **additional areas** were identified which were explored with the foundations. These included:

- How far there are standards which can and should be applied to developing community foundations in Slovakia
- The vision and strategic thinking and direction of both individual foundations and the community foundation movement in Slovakia as a whole

Six Foundations were selected for specific focus. These were:

- ◆ Banska Bystrica (the first community foundation in Slovakia and also the most advanced)
- ◆ Bratislava (a relatively new foundation, but advancing rapidly)
- ◆ Nitra (a relatively new foundation, at a medium stage of development)
- ◆ Pezinok (a foundation that has been through major change)
- ◆ Presov (a longer established foundation, at a medium stage of development)
- ◆ Zilina (an emerging foundation)

The foundations were chosen to explore the different ways in which the programme had impacted on foundations in different types of areas and at different stages of development. There are currently 14 community foundation and community foundation-like organisations across Slovakia.

Visits were made to each of the six foundations and interviews conducted at two levels. Christine Forrester met staff, Board members, representative donors and other key stakeholders; Alena Huptychova interviewed a wide range of community based organisations who had been the beneficiaries of grants from the community foundations. A Round Table was also facilitated with representatives from a wide range of foundations to look at the strategic questions about community philanthropy development in Slovakia. Interviews were also carried out with ETP/Ekopolis staff and personnel connected with OSF.

In relation to the evaluation, monitoring was carried out throughout the programme by ETP/Ekopolis and regular reports were submitted to the Mott Foundation. The evaluation therefore did not seek to cover the same ground as the regular monitoring and this evaluation report will not seek to duplicate the monitoring reports. Extensive background documentation was provided to the evaluation team, which enabled the context for the evaluation to be established. This documentation enabled the questions for the evaluation to be identified. The interview questionnaires which were used in the evaluation have not been included in this report, as they are lengthy and were used as guides rather than as specific questionnaires.

There were many ways in which the report could have been structured. A detailed report on each foundation could have formed the main part of the report, but this would not necessarily have focussed on the key questions which the evaluation seeks to address. This final report therefore cumulates the information from the interviews and analyses it in relation to the questions. The extensive responses given by the foundations and by the community beneficiaries are available in a full version of the findings, which is available from the ETP/Ekopolis offices in Bratislava.



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## 4 KEY FINDINGS

### 1. PROGRAMME STRATEGY

- ♦ *(What was the programme strategy and how it has been implemented? Was the strategy appropriate and effective in a given context? Has the strategy contributed to a changed context in Slovakia for community foundations? )*

Overall the findings from the evaluation indicate the programme strategy, providing different types of grants for different targeted purposes, with linkages to the OSF training and networking programme, has built significant strengths in community foundations. The programme has been beneficial to all foundations and foundation-like organisations. The million crown challenge, which was achieved by 7 foundations, has substantially increased the resources of the foundations and therefore the non-profit sector. Additionally, the program focussed foundations on developing new methods of reaching out into their local communities for fund-raising and raised a consciousness of philanthropic activity. It is interesting that in Nitra, with their “Three Coins for Nitra” campaign, local community organisations who had been beneficiaries of grants from the foundation took an active role in fund raising in this campaign, which is an excellent linkage between grant receipt by communities and fund raising for more general community needs. Linking the cycle of “Giving and Benefiting ” has been a theme seen in all foundations.

Grants which have assisted institutional development have also clearly contributed to an increased professionalism in operations. The printed materials which are being produced by Foundations are excellent examples of well-produced, interesting materials, which set out achievements, grants given, financial accounts, donors and include information about the donor services that the foundations offer and ways to give through the Foundation. They stand comparison with best practice examples from both the UK and US. Marketing grants are clearly assisting in this process and with market research to enable more effective targeting of information about foundations and community philanthropy. Foundations are building and sustaining partnership links in communities with businesses and with local government.

There is still developmental work that needs to be achieved, which will be highlighted elsewhere in this report. The Slovak context is becoming more favourable to initiatives which will assist in the development of community philanthropy and community foundations. The new law on foundations and the 1% campaign are both indicators of a changing legal and fiscal environment. However, there is still work to be undertaken at a national level which will ensure that a facilitative legal and fiscal environment is maintained and further developed.

A number of the factors relating to community philanthropy development noted in the first section of this report from the 1998 Report are very relevant in relation to the work undertaken by the programme:

- ♦ **Accumulated (abundant) financial wealth**

This factor is still not apparent across Slovakia. A number of interviewees noted that in their particular areas, whilst business and entrepreneurial activity is developing, there are still few very wealthy people who could make large donations to foundations. Much foundation fundraising and fund development is still on the basis of small donations and this is likely to continue for the

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future. This point was noted by Dorothy Reynolds<sup>5</sup> in a visit to Slovakia, where she noted that the foundations were very focused on soliciting small gifts – total community “buy-in” and suggested that they should be encouraged to solicit major gifts. In most areas, major gifts which will grow endowment funds more rapidly will not be forthcoming until there is a significantly higher level of accumulated financial wealth which is more widely spread across the country. This will undoubtedly develop over the next few years. However it should be noted that there are high regional socio-economic differences at the present time across Slovakia (e.g. in Bratislava, 100% of European Union average in GDP per capita, compared with 30% in Eastern Slovakia.) The average salary in Slovakia is \$325. The developmental work undertaken through the programme has positioned community foundations well to benefit as this process of wealth accumulation develops.

◆ **Friendly legal and tax environment**

This has been noted above. There is further work that will need to be undertaken with other appropriate bodies at National level, particularly on tax breaks for company donations, on issues relating to investment strategies for community foundations and making further distinctions between public benefit NGOs and mutual benefit NGOs.

◆ **Existence of appropriate beneficiaries**

A wide range of appropriate beneficiaries exists across communities in Slovakia. It is also clear from the work undertaken by the community interviews that community activism is being encouraged by the small grants programmes operated through the foundations, thereby increasing the range and type of activities in communities which will in future look for support from community foundations. Community foundations are therefore significantly contributing to civil society development. Increased demands are likely to be made on their funds as levels of community activism increase. Community foundations should undertake regular needs analysis and reviews of the NGO and community based sectors in their areas, to be able to identify potential donors changing patterns of need and priority areas for support.

◆ **Critical level of trust in society**

Community foundations have contributed substantially to the development of trust in communities in the third sector and NGOs. This issue was particularly remarked upon by both donors and other stakeholders interviewed, who noted that the linking of grants programmes to fund development developed trust. Foundations were not just seen as bodies raising money, but as organisations distributing funds which benefited communities and improved quality of life. The linkage of fund development and grants disbursement is important, and the grants for community re-granting are significant in this respect. Community foundations are also seen as transparent bodies, producing reports on their activities and being accountable to both donors and their wider communities. This is critical for the development of overall levels of trust in NGOs generally.

◆ **Philanthropic tradition**

A number of the foundations have made specific links to past philanthropic traditions in Slovakia. Bratislava and Pezinok in particular have made these links in their printed materials (Bratislava has produced very good posters which showcase past Slovak philanthropists and an annual report which makes these links). Emphasising the continuity with a past tradition is valuable – although community foundations per se are a relatively new concept in Slovakia, they can achieve

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<sup>5</sup> Dorothy Reynolds visited Slovakia in June 2002 through the generosity of the Mott Foundation. ETP/Ekopolis organised series of meetings with representatives of community foundations. Dorothy Reynolds has served as a long term program director at various community foundations in the US and provided consultations to Community Foundations in Michigan.

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rootedness in their communities with this connection. They can also emphasise that philanthropy is not an import, but part of a deep rooted Slovak tradition, within which they are operating. This work could be further supported through appropriate national level campaigns.

## **2. PROGRAMME DEVELOPMENT**

### **◆ Programme implementation**

*(What was done well, what activities should have been done in a different way and why? What were expected/unexpected outcomes?)*

Overall, from the evidence gathered, the programme operated by the Consortium appears to have been well organised and no foundation commented otherwise. Comments were made in interviews that initially, the Million Crown Challenge was viewed less than positively, as it was felt that the target was too high. However, despite the difficulties (as one foundation that achieved the challenge noted “We had not done this type of fundraising before – it was very difficult”) 7 foundations achieved the goal and 6 were awarded the one million crowns matching grant. At least one other foundation came close, but did not quite make it. It can be suggested that if the goal had been lower, more foundations would have achieved it, but the fact that only 5 were expected to get there, and more succeeded, demonstrates that the target set a standard which raised the activity levels of foundations and demonstrated to them what they could achieve with sustained efforts.

There are still issues, however, about the achievement of effective programme synergies with the OSF support programme. There is still significant development work that needs to be undertaken on governance and strategic issues in foundations, and further work on Board development. This is not a failing in the programme, however. These are issues which are high on the agenda in other countries (in the UK, a current evaluation of community foundations is also finding that work needs to be undertaken on Board development and on enabling foundations to produce good development plans). Where resources are limited, priorities will be set by foundations, and in this case, these priorities have focussed on developing effective re-granting programmes and undertaking local fundraising.

### **◆ Programme goals**

*(Planned vs. actual, results vs. spending, etc.)*

In the original proposal to the Mott Foundation, a baseline was indicated and a number of programme indicators for success for 2002 were identified.

In terms of the overall programme, 5 foundations having raised funds for endowment were set as a success figure for 2002. As noted below, 7 achieved this through the challenge programme (and others have also raised endowment funds). This is a critical achievement, as it fulfils one of the criteria for a community foundation.

The investment overall in the programme has clearly resulted in substantial new funding, both for endowment and for flow through grant-making and re-granting (funding from local government), being developed by the individual foundations. Quantification of this total amount over Slovakia has not been undertaken for the evaluation, but could be undertaken by the Consortium, with a questionnaire to each of the organisations that they have provided grants to. This would enable the “value added” of the programme to be assessed.

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However, the consortium has undertaken some analysis of the results from the challenge fund. This analysis demonstrates that (in US dollars) total raised from local sources across the foundations was \$160,000. Of this, gifts from individuals totalled \$48,000 (30%); gifts from corporations \$59,000 (36.8%); contributions from local government \$54,000 (33.7%). The major achievement is the balancing of funding from three local sources. In terms of cost-effectiveness, in encouraging the balancing of fund development, this is a significant achievement.

The other quantifiable indicators of success have not been independently validated during this evaluation. The indicators for each foundation could now be collected by the Consortium by the gathering of financial information via a questionnaire to each supported organisation. It is clear however that new foundations are developing, in line with the programme indicators and that organisations which could be defined as community foundations at the outset of the programme have continued to develop significantly.

◆ **Programme announcement and outreach**

*(Clarity, access, etc.)*

No foundation found access to the funds difficult. Foundations found that the programme elements were set out with clear rules. They were not changed half-way through, so there was consistency. There was also transparency and a clear definition of the relationship between the Consortium and the grant recipients.

◆ **Effectiveness of technical assistance provision**

*(What difference did technical assistance make to the programme participants?)*

As noted above, the training and networking components of the overall programme were valued. Technical assistance is of less relevance to those foundations which are well-developed, but they have been willing to participate to share their experience. The general support of the Consortium has been appreciated.

However, it is also clear that there are a number of areas where further training and development work would be valuable (see below)

◆ **Effectiveness of grant-making**

*(What types of grants? What is the view of the grant recipients – what did the grants enable them to achieve?)*

As noted above, the view of the grant recipients of the Your Land programme was very positive. **Re-granting** was seen as critical in demonstrating the value of local philanthropy – the links between grants and building trust in communities, to be able to build funds is of major significance.

**Challenge Funds** provided a significant spur for local fund development and more than 7 million crowns was raised in cumulatively across the foundations that worked towards the challenge. Innovative methods of local fundraising were developed.

**Support towards administration costs** provided some stability for foundations to enable them to undertake re-granting and work towards the challenge.

**Other specific grants**, such as marketing have been used to undertake market research, to produce leaflets and other promotional materials, which are important in developing a local profile to fund build.

**Voucher grants** for training have not had such a significant take-up. However, this is likely to be due to time pressures on organisations, given that they have needed to find time for the training/networking events. Visits to community foundations in the United States have been undertaken.

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### 3 *PROGRAMME IMPACT*

#### ♦ **What have the programme outcomes been and the programme impact on:**

##### ➤ communities which have received funding from the programme

The community level interviews identified that there has been a significant impact from the availability of re-granting funds, which have supported and facilitated the development of a wide range of community activism. The links between community activism development and overall civil society development have been extensively researched over a number of years. The programme has therefore been able to build links between philanthropy and civil society development.

##### ➤ organisations that have been supported from the programme

It is very clear that all of the programme elements have assisted in the development of community foundations:

**Banska Bystrica** has continued to build its endowment, and is now in the top three of endowed foundations in Slovakia. Through the programme, the experience of Banska Bystrica has also assisted the development of other foundations. Nitra in particular noted their assistance. The foundation has recently bought a building to give them long term security and as an asset. This foundation also provides a model on how a foundation can effectively extend out into the neighbouring areas. It has valued support with core costs, as this had enabled them to reinvest income from endowment. Achieved the one million crown challenge.

**Bratislava** has developed in a very short space of time, with programme support, into a very promising community foundation. It is focussing on building endowment, seeing grants as only a minor part of its work. It is attuning itself to the specific circumstances of Bratislava. It has developed some very imaginative marketing and informational materials, with sponsorship. Achieved the one million crown challenge.

**Nitra** has substantially increased its funds from local sources and although it didn't quite make the target for the one million crown challenge, has undertaken some imaginative community level fundraising and has secured a significant local business donor. They based their model on Banska Bystrica.

**Pezinok** has recently undergone a significant change, including its name, when it registered under the Law on Foundations. After a difficult period when its links with local government were in question, it is building endowment and succeeded in the million crown challenge. It is the one foundation interviewed where there is now a written 3 – 5 year strategy that the Board was involved in developing. Pezinok is developing a range of donor services.

**Presov** launched their first local fund campaign in 2000. In 2001, it set up a Friends Club for people who cannot give large donations and are developing partnerships with local businesses. They have started to build endowment and achieved the one million crown challenge.

**Zilina** is working towards becoming a foundation – it is currently a fund, but have strategy to build to 200,000 SKK in two years to register under the Law on Foundations. Grant-making with money from the local government and from the programme was the first time anything like this had been done in Zilina. Now have a grants committee as well as a Board. Used a marketing grant to undertake market research and now have a directory of 200 local companies who have been contacted about the fund/foundation. Have also received grants for training and a computer. There

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is a real potential and enthusiasm amongst those involved. They need money for core costs, as currently the Director undertakes the work “for free” from her post as Director of SAIA in Zilina. *(Further details of the achievements of these foundations is included in the full report, which is available on request from the ETP/Ekopolis office in Bratislava)*

Support for all of these foundations with money for specific organisational development activities and towards staffing has meant that they have been able to continue a wide range of work without the acute pressure of trying to find funds for these “core” costs from local sources. It was pointed out repeatedly that local donors do not wish to provide support for “core” costs. Funding for re-granting from the programme has also encouraged continued or new giving for re-granting by local government.

All of the foundations interviewed are clear about what community philanthropy is and what the role of a community foundation is. They all identify, however, that the concept of community philanthropy is still difficult to convey to others in the community.

All of the foundations have found the training/networking useful, and the synergies between training and the work that they have been enabled to do with the Consortium grants. There are issues, however, about the inclusion in the training/networking of organisations which may not be developing as community foundations but towards a specific community development model. As training and networking have been linked, this may have impeded discussions about a network specifically for community foundations in Slovakia.

The programme has clearly had an impact on the organisations receiving grants and support. There are a number of issues relating to how this impact to date needs to build on which will be discussed further below.

➤ programme implementers – i.e. the Consortium of Ekopolis Foundation and ETP Slovakia  
It is very clear that the Consortium have positioned itself as a respected grant-making and support body, particularly in respect of community philanthropy development. Other significant funds are also streamed through the Consortium, which places it in an important position in the mainstream of NGO development in Slovakia. A key issue, however, is whether the “tensions” noted above in relation to the programme development (Section 2) and the role of OSF can now be resolved how both ETP/Ekopolis and OSF can take forward a coherent strategy for community philanthropy development in Slovakia.

A recent proposal by OSF for a national campaign on philanthropy needs to be further discussed with both ETP/Ekopolis and with the community foundations themselves, to ensure that there is a clear linkage between philanthropy messages disseminated through a national campaign and the work that is being undertaken at a local level by the individual foundations, supported through the community philanthropy initiative.

Further refinement of the training and networking programme is also needed, as necessarily, in its developmental stages it has involved organisations which have, and are likely to continue to have, a community development focus rather than becoming community foundations and registering under the Law on Foundations. Whilst this has probably been valuable at this stage in development, providing inclusive opportunities for a wide range of organisations operating at the community level, there is now a case for recognising the specific needs for training, development and networking which are now identified by community foundations and community foundation-like organisations.



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If moves are made towards the development of a network of community foundations, clear criteria will need to be established as to what a community foundation is in the Slovak context. A number of interviewees identified that there may be some variance in Slovakia from the classic US model of the community foundation, which are occasioned by specific Slovak circumstances. This issue needs to be discussed fully amongst the foundations and with their funding partners, such as ETP/Ekopolis and OSF.

♦ **Future plans of programme beneficiaries and of programme implementers - programme sustainability, sustainability potential of the programme beneficiaries**

As noted above, OSF identified in 1999 that further support would be needed beyond their initial three year programme before sustainability could be reached by community foundations. They have since identified that even after 6 years, due to economic conditions in Slovakia, sustainability is not yet in sight. Even Banska Bystrica, with a significant endowment level, notes that it could not yet say that it has reached sustainability. They still value help with core costs, to be able to apply income from endowment back into the endowment fund, and noted specifically that it will take time until the climate is created where fees can be asked for donor services; they still value additional re-granting monies to be able to support as much community based activity as possible. They currently receive more applications for support than they can support from their own resources alone.

All foundations commented that the climate in Slovakia still makes it difficult to raise money for core costs from donors. All foundations noted that it is impossible at present to ask for fees for donor services – as noted above even Banska Bystrica with its high profile in the community cannot do this yet. Pezinok is considering how to do this. Both Nitra and Zilina noted that monies given to the foundations/fund specifically excluded core costs. However if the task of embedding community philanthropy is to be undertaken, the organisations with the role to do this will need support for their activities in promoting it, until it is embedded enough that donors understand that providing donor services or re-granting has a cost attached and that this cost has to be met by the local community itself.

It will be some time before endowment is sufficiently developed in foundations to provide contributions to core costs. The one million crown challenge has shown that local fund development can take place; however, the economic climate is still such that, as noted above, sufficient wealth accumulation has not occurred to enable large donations to be readily achieved. This in turn means that the focus needs to be on general community engagement in fund development, and this, coupled with approaches to companies and profile raising for community philanthropy, requires external core support for all of the foundations.

All foundations are aware of the need to move towards sustainability. All are also aware of their role in helping to develop local sustainability of the third sector and of levels of community activism.

♦ **Perceptions of programme among the beneficiaries and other donors**

Some specific interviews were undertaken with donors to the community foundations. Whilst these donors have not specifically given to the work being undertaken by the overall Programme, their contributions have assisted the foundations in achieving their goals within the programmes.

A general view that came from donors was that they value the way community foundations use their resources well and provide links and provide links with the community and the media,

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unlike other NGOs, therefore corporate donors get a profile. All donors noted that they had seen projects funded through the foundations and this led them to see how valuable their support for foundations would be. All donors interviewed felt that the values of a community foundation motivate donors.

Some specific examples which illustrate the views of donors and how they are viewing philanthropy development are:

**CitiBank, Bratislava.** Undertook a 1% campaign last year with employees. This was not specifically for the community foundation in Bratislava, but helped to raise awareness of the role of companies in supporting and promoting philanthropy. Companies need to know that there will be professional standards which will apply across Slovakia – the kind of standards that community foundations use. This company is giving not as marketing but as philanthropy. Companies could help promote concept of community philanthropy and community foundations through business forums. Employees also come up with ideas for philanthropy – community foundations could be the vehicle for these – the intermediary. Community foundations could also create synergies with other organisations such as Junior Achievement. “Always depends on people, on building the relationships. There are always things in society to improve – there can always be a discussion.”

**Generali, Nitra.** The Association with the community foundation is seen as good for the company. As a German company, the local links help to create sense of identity with the local community for company. There is therefore a business benefit in donating. They feel that they want to tell other businesses about the value of this association. Seeing work that foundation does is inspiring for the Manager and helps him to understand community needs and what the community is interested in doing. He sees the foundation as very efficient and effective – from a business perspective, this attracts him strongly.

**Tatrabank, Pezinok.** There is a feeling that the community foundation fits with the mission of Bank - to do something for local people and the community. The newsletter “Windows on Pezinok” made them decide to support the foundation. They provided support for the million crown challenge. (44,000 SKK financial for challenge and 15,000 SKK for materials related to the challenge) and intend to go on supporting the foundation. They feel that the foundation is “all about people”. The foundation has taken the bank to see projects that they have supported – the bank feels that it is fantastic to see people changing as a result of involvement in projects.

It is clear from these interviews that the links of a **local** community foundation with **local** business pays dividends – the stress here is on the issue of locality. Being able to demonstrate to donors the **effectiveness** of foundation grant-making is critical, through seeing local projects. Building these kinds of links takes time – but can also be used to encourage local businesses to support the 1% campaign by informing their staff (and linking this to donations to the foundation). How local business supporters can be encouraged to act as “champions” for a foundation through their contacts and networks (by passing on information, arranging introductions etc) needs to be further explored.



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### ◆ Other key issues

A Round Table was held with representatives from a wide range of community foundations (those specifically interviewed and others) to explore other key issues identified for the evaluation. These included:

- The development of innovative approaches to local philanthropy which may suggest different ways in which foundations may develop in Slovakia in the future
- Whether there is a specifically Slovak “model” of community foundations or whether there are general development points which are more widely applicable in other countries
- How far there are standards which can and should be applied to developing community foundations in Slovakia
- The vision and strategic thinking and direction of both individual foundations and the community foundation movement in Slovakia as a whole

The discussion was wide ranging. The following are the key points that were made:

- (a) Grant programmes are a crucial part of what a community foundation does. As noted above in relation to interviews with donors, seeing projects is a very direct way of demonstrating the value of a community foundation.
- (b) There is a common/shared opinion of overall mission of a community foundation – endowment, grants, locality, links of donors and community. Differences tend to be of emphasis rather than substance and may relate to specific local developmental need – it is important to ensure that response is to locality, not just to some theoretical model. There is probably a Slovak model that is emerging as a result of this.
- (c) Training and networking has been very important in enabling this view to be built; it could not have happened two years ago. ETP has been important in developing strategy and networking. OSF training was important as allowed diversity (didn’t give just one approach to issues).
- (d) Where is the overall national vision and strategy held? The view was that it is held by ETP and OSF – the funders. This occasioned a discussion on how it could be shifted to be held by the foundations themselves. This needs to happen.
- (e) The ETP role very important. There is a range of activities and support that need to be provided further:
  - ◆ Help in further meetings of this kind (the Round Table)
  - ◆ Financial support for institution building. This is linked to a range of “Survival” issues – organisations need to concentrate on their own internal issues and need financial support for institution building
  - ◆ Timing – need for a further 2 – 3 year programme (minimum)
  - ◆ Need support with financial expertise on investment issues
  - ◆ Further work is needed with Board members and developing their understanding of their role – need for study tours for Board members (both in Slovakia to other foundations and abroad)
  - ◆ Need for further work on the legislative environment
  - ◆ Further challenge fund

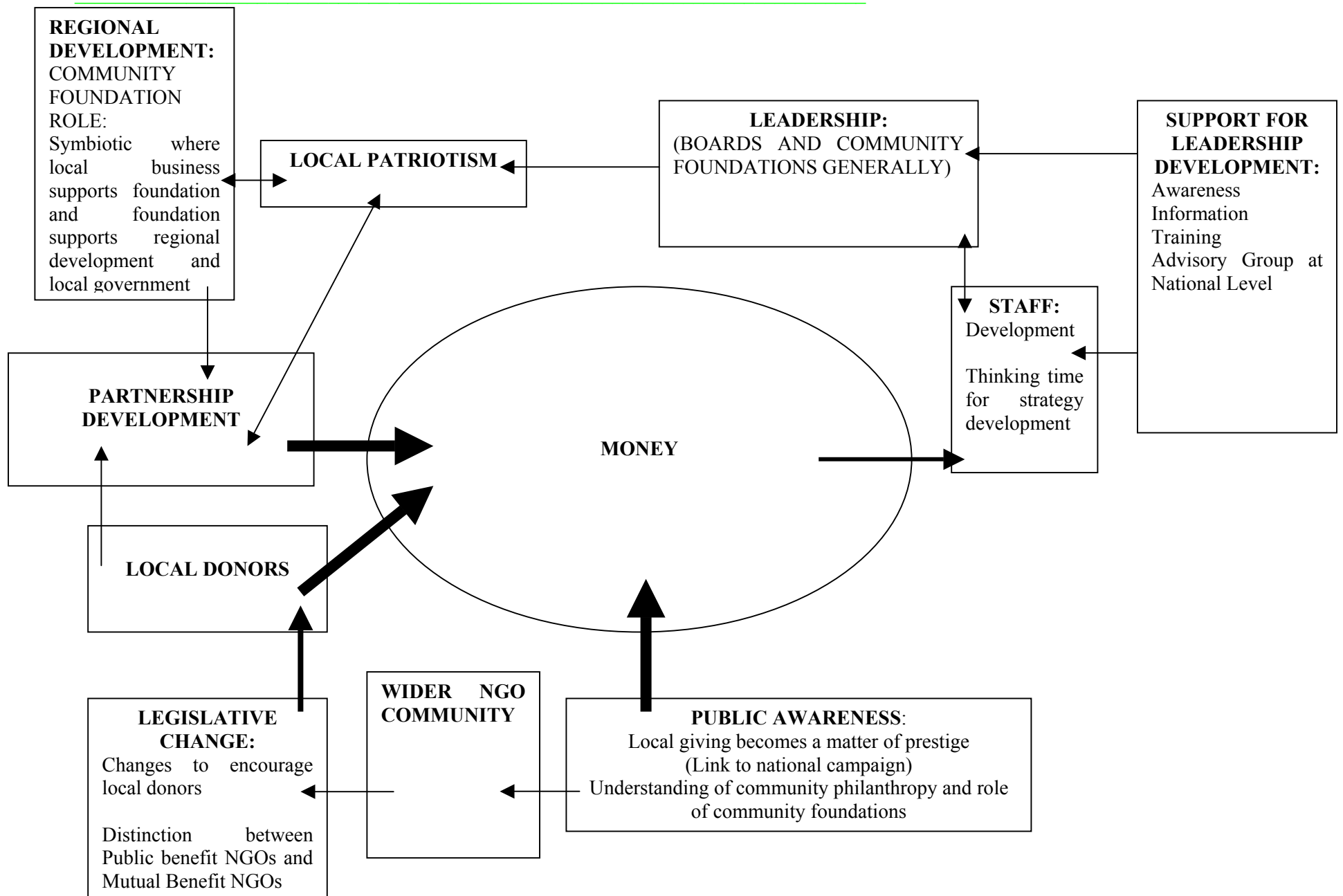
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- ◆ Further re-granting programmes. Re-granting money helps to provide support for broader NGO and civil society development, as well as providing for other potential donors a demonstration of what community foundations can do with flow through funds from donors.
  - ◆ Would like contact with community foundations across the wider Europe, particularly with accession to the European Union now being a very live issue..
  - ◆ Need to look at the role of the Gremia and their links – discussion of further legislative changes; how to define their policies to take to Gremia; question of confusion about difference of community foundations and community associations.

(f) Sustainability – what are the key issues?

A Chart was developed at the Round Table in response to the question : *What are the key issues which will help to develop sustainability of community foundations?* The Chart shows the key issues which foundations felt were important in achieving future sustainability. Money is obviously the key and is therefore central. To build the financial base, the linked issues were seen as important. Leadership was identified and leadership awareness and training are needed. It was also felt that an Advisory Group (or Network or Association) operating at national level could provide leadership for foundations across Slovakia. Public awareness needs to be developed, and this needs to be linked to developing awareness of philanthropy and the role of community foundations in the wider NGO community, as well as with local donors. Legislative change will also be needed, and the wider NGO community has a role in this as well. Partnerships, with local government and with business are also important.

**Key outcomes** from the Round Table were in defining the main role of a community foundation and in identifying sustainability issues. It is clear that the programme has enabled foundations to think more clearly about these issues. However, the overall vision and strategy for Slovakia needs to be developed within the foundations themselves – they need to take ownership of the vision and the strategy. It is therefore important that any initiative at a national level (such as the proposed OSF campaign) fully involves the foundations themselves and is not “top down”.

Thought also needs to be given to how a national network or association of community foundations could be developed, to take a major role in representing the issues raised by individual foundations in respect of strategy and vision, as well as negotiating at a national level with other appropriate bodies on legal and fiscal issues. It is recognised that this issue will need considerable further discussion. Should it be formalised in some way, with its own staff (which has resource implications) or can it be developed informally? Could it be located within ETP, but with some kind of representational structure representing the foundations? Do the community foundations have sufficient time to devote to these kind of activities? These questions cannot be answered by this evaluation, but need further discussion amongst the foundations.



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#### 4 **TRAINING AND NETWORKING**

Although not part of the evaluation, in looking at how the community foundations had benefited overall from the programme, it was important to examine the training and networking work undertaken by OSF and the issues identified by them for themselves as a result of their work.

Initially training was to develop skills and knowledge and create space for community foundation interactions and peer group learning. Two important issues have arisen through the training, which affect the future work on both the Consortium and OSF. The first is the question of **Standards** – fundamentally, what is a community foundation? What characteristics define it? Secondly, there is an issue of finding trainers in Slovakia with technical skills who also have expertise in community foundations (It should be noted that this is also an issue in the UK, where community foundations are still a comparatively new type of structure. There are many highly skilled trainers in organisational development in the UK, but few with knowledge of the specific ways in which community foundations need to do their work).

It is recognised that time for training is limited in all of the foundations and other ways of delivering training (distance learning, internet) may need to be explored to continue to develop the skills needed.

In relation to the first question, the feeling developed by OSF is that organisations which have been involved in the training and networking are clear about the difference between community philanthropy and community development. However, there may be issues arising from the inclusion in the training of community development organisations, who may not be so clear as to the distinction. This issue would be most effectively resolved by separating out in training and networking those organisations which are currently community foundations, together with those working towards achieving community foundations status, from those with a more specific community development focus. However, the training has raised an issue as to whether the Slovak model of community foundations is, and should be, a hybrid model – where NGO support organisations do not exist, should community foundations take on this role rather than create new separate organisations which will also need funding. This could be seen as part of the value added of community foundations, but also raises issues as to whether there would be a risk of role confusion and possible deflection from the core mission of community foundations. It was noted that an ongoing question that has come up in the networking is “how prescriptive should the programmes be about models?” These issues will be discussed further below.

A specific OSF programme on financial planning and budgeting was undertaken with 5 organisations and then evaluated in January 2002; a further 3 organisations will now be taken into the programme. The issue of longer term strategic planning training was discussed with the trainer, who identified that this was work that could usefully be undertaken. Organisations involved in the financial planning and budgeting training clearly now had good skills. The second issue relating to trainers is relevant when development of strategic planning by community foundations is being undertaken, as there are issues which need to be addressed in these plans which differ from those of business or other third sector organisations.

Training has also identified that in some cases, developing community foundations may need to consider merger of funds to attain appropriate size and scale. Whilst there are important issues of

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localism (which will be discussed below) there may be a population and locality size and economic base below which a separate community foundation is not viable in the longer term.

The issue of the development of a national network or association has also emerged from the networking/training. This has had an impact on OSF and will have an impact on the overall programme. The idea has been discussed that such a network could assure the standards of community foundations. The issue has been raised as to whether this starts with a core group and what does this do to those foundations/funds which are not part of the core programme. A network could communicate more clearly to the public what the concept of a community foundation is and what philanthropy is.

OSF, as a result of an underspend in relation to some Soros matching funding for the Mott programme has developed the idea of a public awareness campaign, which would include promotional activities, leaflets etc. As noted above, this has led to some tensions and needs further discussion. It was suggested by one interviewee that this is too much a “top down” initiative, as it has not involved the community foundations from the beginning. Ideas now need to be taken to the foundations to get them on Board. The main problem is that campaign has to be run quickly as money has to be spent and there is a question of cost effectiveness and speed versus getting the process right. How such a campaign will connect to localities in Slovakia is an issue that needs to be addressed. Community foundations themselves, when being interviewed, felt excluded from the decision making process, although they see the value of such a campaign. It is however clear that anything that aims to promote philanthropy at a national level in campaigning terms needs to make very clear connections to local campaigns run simultaneously, promoting local community philanthropy.

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## **5 KEY ISSUES**

A number of key issues were generally identified from the evaluation, which relate to the future direction of the development of community foundations and philanthropy in Slovakia.

### ***1 DONOR STRATEGIES AND EUROPEAN UNION ACCESSION***

There are a range of issues which relate to how NGOs, including community foundations, are engaging with international donors in relation to their exit strategies. The community foundations need to be considering how they will achieve sustainability once international donors leave Slovakia and the Region. Whilst accession to the European Union is likely to bring new sources of funds into the county, these funds are likely to be restrictive in terms of the way they can be accessed. It was suggested at one foundation that NGOs are too small to be involved in major accession projects and all sector co-operation and partnership are needed at NUTS III levels (size of a current VUC regions). There are however some risks involved in the use of EU funds by community foundations and further discussion will be needed as to how any engagement with these funds can occur and what the implications are for community foundations.

EU accession was seen as a positive in that it may lead to changes in legislation in relation to harmonisation which may assist foundations (but there is at present no specific EU law on NGOs in this respect). Linking with other community foundations within the European Union was seen as important.

The question was also raised as to how the Trust funds can be used, as these can go into endowment of organisations.

### ***2 TIMESCALES***

Considerable time is needed to build effective community foundations and local philanthropy. In the Slovak context, building the philanthropic culture will still take considerable time, although change is now apparent. In reality, there is probably a 5 – 10 year timescale before some real sustainability will be evident across Slovak community foundations. This needs to be taken into account, particularly by international donors. Further investment now and over several more years will pay dividends in ensuring sustainability of the philanthropic base, which will enable sustainability of the Third Sector and thereby civil society. Too early withdrawal may well undermine the steady progress that is being made towards this goal.

### ***3 LEGAL AND FISCAL STRUCTURES***

Further work needs to be undertaken on ways in which changes can be made to the legal and fiscal frameworks. Key issues identified include: limits on operational expenses; restrictions on sponsorship and marketing for foundations under the law on foundations; issues relating to investment of endowment. Changes which encourage more corporate giving are also needed. The development of a community foundation network has the potential to play an important role in this context.

### ***4 PHILANTHROPY***

Citizen philanthropy is linked to the 1% campaign and there is a need for further work on this and on the encouragement of corporate philanthropy (see above under 3.). Philanthropic behaviour is not yet seen as being normal in Slovakia. It was noted by a number of interviewees that

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philanthropy is not a Slovak word and can sound strange – it cannot be translated in one word into Slovak. However, it was pointed out by some interviewees that it was a word that was used pre-1918 and there was historically a tradition of philanthropy in Slovakia. There is therefore a need to connect the understanding of the term to traditions of giving that people do understand - from religious practice, from tradition and re-find the connections and the continuity with past practice.

There is also a need to connect the philanthropy of the donor to the philanthropy of the community (which may be doing rather than giving – the link to the development of volunteerism) – what the community does to assist those in need and in building connections at community level which are about civil society and community improvement and empowerment. This can be achieved by the linkage of grants programmes to fund development, and by showing to donors what their philanthropy can achieve.

## **5 NATIONAL VISION AND STRATEGY**

There is an interest in the development of an Association or Network of community foundations in Slovakia. One of the tasks that such a grouping could undertake is the development of specific criteria as to what is a community foundation and to set standards. It could also raise the profile of community foundations nationally. However, there is an issue as to how less developed foundations and foundation-like organisations could be included, if the standards are set against the most developed foundations. The example of the UK, where the Community Foundation Network has full members, who are defined as meeting all the criteria for a foundation and associate members, who are working towards fulfilling the criteria, could be useful in this respect. Associates attend training and other events and are helped and supported towards full membership. Endowment building is a defining issue in this respect in the UK and could and should be seen as a key standard in Slovakia. It will be important, however, that any development of this kind reflects fully the range of foundations and does not become dominated by one view about development.

It has been clearly stated by a number of the interviewees that there is a developing form of community foundation in Slovakia, which is more of a “hybrid” model, to suit the local circumstances both nationally and in terms of the local level. One issue which arose, which is noted above in section 4, is whether community foundations should have an NGO resource centre role. Another is the question of community foundations running their own projects. It is suggested that what is occurring in Slovakia currently is adaptation of the “classic” model to local circumstances, rather than the development of a very specific “Slovak” model. The basic criteria for a community foundation are valid in Slovakia and are also evident in the developing foundations. A clear distinction needs to be made between the fund development, donor services, grant-making with technical assistance roles of community foundations and the community developmental projects and other forms of NGO support, such as resource centres, which community foundations may support but which are not core activities for community foundations operating as community foundations. Further discussion and clarification of these issues needs to take place in Slovakia and a Network would help to clarify these issues, not least through setting clear standards and criteria for foundations.



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Developing a national vision and strategy needs to take account of these issues, where foundations feel that running their own projects is integral to raising the trust of the local community and making the connections at the local level. For this reason also, grants programmes are seen as very important, and this view was also reflected by donors.

This issue is linked to the need for a national campaign to raise the profile of philanthropy and the current OSF initiative. There is a strong feeling that national level campaigns must be built from the bottom up, not top down. Clearly a functioning network would be able to play a key role in a national campaign on philanthropy, provided this would be identified by the community foundations as important and agreed by the community foundations for implementation.

In relation to the national level there is a need to ensure good relationships with the Gremia and contribute to discussions on legal and fiscal structures through these forums.

## **6 INVESTMENT ISSUES**

There are a range of issues about investments: risks, how investments can be made (bank accounts and lack of tax advantages) and strategies. There is interest in common endowment investment developments. Further work needs to be undertaken in this area – both in relation to legal and fiscal issues and to how community foundations can be enabled to invest safely and effectively, as well as training on general issues around investment. Community foundations need to build their internal competencies in relation to investment strategies, develop investment committees and to build an understanding of both the practical and strategic reasons for any transference of investment responsibilities. This is also a key governance issue for foundation Boards.

## **7 INDEPENDENCE**

The question of partnerships with city governments was raised by a number of interviewees and whether these partnerships compromised independence. Key issues included: What if foundations support projects which the city does not like? How far does local government dominate Boards? A specific comment made by one interviewee reflected the views of many: “In Slovakia, people believe in things supported by local government” therefore local government gives a community foundation credibility. This may not be true, however, across all areas of Slovakia and is another area where local circumstances need to be taken in to account in formulating an appropriate local model and protocols. This is an issue which needs to be more fully discussed and is one where a network could help with the formulation of protocols. In relation to the issues raised on sustainability, local partnership which includes local government was seen as important. It has also been identified as an issue in relation to EU accession funds (see above under 1).

## **8 LOCALITY – “LOCAL PATRIOTISM”**

Locality is a very critical issue and local patriotism seen as a major tool in developing community philanthropy. It was suggested that one of the reasons why each community foundation is different is it is about “place and people” – these differ in every part of Slovakia and this needs to be recognised. Real community philanthropy which recognises the needs of a particular place – a real response to locality – inevitably means that there is no one model, but that foundations should respond to these locality issues. It is at the local level that the funding is raised. It was suggested that there are real differences between Bratislava and other parts of the country. There



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is also an issue about “expatriates” from communities who now live and work in Bratislava. – should they be reached by the community foundations in the areas from which they have come?.

A further issue that was raised, however, is the balancing of size and community connection – with the achievement of cost effectiveness and sustainability. It was noted that Banska Bystrica has extended to take in neighbouring areas and Pezinok is thinking of expansion to Trnava. In other areas, however, where foundations have drawn their areas of benefit tightly, such as Presov, foundations are being established in immediately neighbouring areas. Discussions may need to take place on this issue and whether there needs to be some rationalisation. There are also areas which currently are not covered by foundations. Again, a national network type body could lead on the discussion of these issues.

## **9 PUBLICISING COMMUNITY FOUNDATIONS**

A couple of the foundations arranged for the evaluators to meet with local journalists or others with media connections, including Board members and donors. It was noted by these interviewees that many journalists have problems with understanding the term community philanthropy. It was suggested that from the media’s point of view, people are not used to the idea of helping each other voluntarily and people who are willing to help others are seen as stupid – it was suggested that this is still a legacy of the previous regime. Journalists do not always have a personal interest in what they are writing about, but personal contacts with journalists can help and getting them connected with a foundation is important. Cultivating relationships with local media owners and managers as well as journalists is very useful. For some foundations, this has resulted in free radio programmes and advertising.

Good publicity materials are also important and a wide range of well-produced materials has been developed by foundations, with good “branding”. One suggestion is to produce “logos” or small stickers which could be given to locally funded projects to display, to reinforce the local connection.

## **10 LINKING GRANT-MAKING, ENDOWMENT BUILDING AND DONOR SERVICES**

There is a need to turn community foundations into vehicles which connect donors and communities, not only through fund raising but also through the development of donor services and fund management. There are important links between grant making and raising the profile locally for fund development. Working with volunteers and community development programmes are also an integral part of many foundations’ activities. This point has been noted above in relation to the model of community foundations in Slovakia. These types of activities are seen as important in meeting local needs and making connections and have influenced local donors.

Foundations do, however, need to find ways to keep these activities in balance, particularly as fund development is critical to moving towards sustainability. Experience from the UK has shown that this is not easy – separating responsibilities between grant making and fund development, both amongst staff and particularly by setting up Grants Boards or Commissions and focussing the Board on strategic development and fund development related activities is critical.

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## **11 PROVIDING FOR CORE COSTS FROM LOCAL RESOURCES**

This is a key issue for all foundations as core costs need to be covered to provide staffing and operational expenses. Charging fees for administration of funds is an issue some foundations are looking at, but all feel that this is not yet acceptable for donors. Local donors do not in the main want to contribute to core costs. There is an identified need to create an understanding that staff in community foundations need to be paid if the right range of administration and technical services are to be delivered efficiently.

## **12 VALUE ADDED IN GRANT MAKING**

Community foundations need to explore and demonstrate how they add value to donors' monies. This applies to money raised from all sources. Ways in which this can be demonstrated include effective grant monitoring and reports to donors; providing support for organisations applying for funding, which can include training in project design and development which would then improve the effectiveness of projects; enabling grant recipients to meet and network, which could enable good practice sharing and also build local coalitions. A number of the community organisations interviewed would like community foundations to offer more support services to local NGOs, particularly in areas where other NGO support mechanisms are not available. It is an issue for further discussion whether foundations should take on a broader NGO support and intermediary role or whether separate organisations should be created for this purpose. This issue has been highlighted in this section under sub-section 5. In the current funding position in Slovakia, it may be difficult to find the resources for general NGO resource centre types of organisation. However, community foundations may have a specific role in raising local funds to enable such developments to take place, independently of the foundation itself.

## **13 TRAINING AND DEVELOPMENT**

Know how transfer between foundations is occurring, both formally through the specific training and networking and informally through contacts between foundations. There is an issue of consultants and trainers capacity in Slovakia, particularly with skills and knowledge applicable to community foundation development. OSF has run a two year programme for Czech consultants for NGOs and a second round of this training will bring people from different fields in Slovakia together with their Czech counterparts.

There is a need to separate the training from the networking – several interviewees commented that there was some degree of confusion between training and networking. Further work needs to be carried out on specific training needs. A number of foundations mentioned training areas they would be interested in which are not currently covered in the training available. These issues included investment, assessment for grants, Board development, fund development techniques.

## **14 WHAT FOUNDATIONS WOULD LIKE FROM A FUTURE PROGRAMME**

All of the foundations interviewed were asked what they would want to access from a future programme.

- ♦ All would like support with core costs. One or two interviewees mentioned that this could be tapered.

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- ◆ All would like some longer term funding – up to five years – to help them plan strategically and provide the base for fund development.
  - ◆ All would like some kind of endowment challenge again, although some suggested that this could have different bands to help the smaller and newer foundations achieve the target.
  - ◆ Most would like re-granting monies, but there were some who would now like to keep their grant making local. Most would be willing to see a match for this type of money with , for instance, local government funds.
  - ◆ There was a welcome for the special funds, such as marketing, and most would like to be able to take advantage of grants for this type of work again.

Overall there is a realism about a possible future programme. Core costs (see above) are however important if foundations are to continue to build towards sustainability. Challenge funds have also proved their success and provide targets for foundations to aim for.

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## 6 CONCLUSIONS AND RECOMMENDATIONS

Overall the evaluation found significant developments in community foundations in Slovakia, which can be clearly attributed to the Community Philanthropy Programme. Particular successes have been the One Million Crown Challenge which has significantly raised the understanding of foundations that they can develop strategies to meet this type of target. In so doing, they have started to broaden their range of local donors and to see how local fund development needs to be undertaken to substitute for any dependency on foreign donors. General capacity building has taken place, both through grants available for this purpose, including core costs and through the training programmes undertaken through OSF. Funding for re-granting has also been important, as the link between grants and demonstrating how funding community level projects makes a difference in a locality contributes to building an understanding at the local level as to what community foundations can achieve.

There are a number of areas where further work needs to be undertaken and these have been discussed in the report and will be noted in the recommendations. Although, therefore, further developmental work is needed, a good foundation has been laid for community foundations to play a significant role in the development of the non-profit sector and of civil society in Slovakia, as well as, and most importantly, in rooting the concept of philanthropy broadly in all sectors of Slovak society. The 1998 Report on developing Community Philanthropy<sup>6</sup> clearly marked out a path for development and its conclusions and direction have been shown to be sound. The key points that were made in this report about the conditions that needed to be developed in Slovakia are still valid, and as economic development continues and accession to the European Union provides wider opportunities, the community foundations are becoming well-placed to capitalise on growing prosperity to ensure that social and community needs are met. Community foundations are making a significant contribution to civil society development, in the ways in which they develop partnerships with communities, with individual and corporate donors and with local government. The links between community philanthropy and broader civil society development are very apparent in Slovakia.

### RECOMMENDATIONS

- ◆ Further work needs to be undertaken at a national level on the **legal and fiscal frameworks**. In particular, further changes to encourage corporate philanthropy are identified as being needed, but were not specifically discussed during the evaluation. Links with the Gremia should be used to discuss what further legal and fiscal reform would benefit public benefit NGOs as well as enable community foundations to develop more effectively.
- ◆ The development of further work on **networking** between the community foundations and community foundation-like organisations needs to be undertaken. This networking should be separate from training. There is an identified need for the **national network or organisation** of community foundations, which could identify standards and set out the key criteria which need to be fulfilled for an organisation to be able to describe itself as a community foundation. It is suggested that the UK model, the Community Foundation Network, could be explored further, in recognising both full members and associates (those organisations moving towards compliance with the core standards). The ways in which such a network could be established need further discussion, as there are some critical issues about resources

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<sup>6</sup> Study on Feasibility of Developing Community Philanthropy in Slovakia, op.cit.

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to support such a network. The foundations themselves need to be assisted in formulating their views – should it be informal, should it have any staff of its own, what kind of representative structure would be needed to ensure that the views of the foundations are properly represented? It is recognised that at this stage, such a network could not be fully “bottom up” as foundations do not have the resources nor, especially, the time to undertake the detailed development work that would be needed if the network is to be formalised in any way. However, it needs to be stressed that the community foundations themselves must play a full role in this type of development and must be encouraged to develop their own voice and views and not depend solely on an external initiative to enable this network to develop. A **partnership** between the foundations and a relevant body, such as ETP/Ekopolis Consortium could therefore be one way in which this work could be progressed. It is recognised that given the Consortium’s role as a primary external funder of community foundations, any possible role conflicts would need to be fully explored.

- ◆ There is a need for **the vision and future overall strategy** for community foundations in Slovakia to be more fully owned by the community foundations themselves. The development of a network (see above) would assist in enabling this to occur. At present, foundations see the vision as sitting with the funders, and a shift needs to occur before community foundations can fully develop their position in Slovakia as key agents of philanthropy.
- ◆ In relation to the point made about where the vision lies, and the development of a network, through this means **a clear definition of what a community foundation is within the Slovak context** can be developed as the core standard. There is a view that community foundations must link grant-making and fund development, and that there may be a more proactive project development role for foundations in Slovakia. However, as noted above in section 5, there needs to be a distinction drawn between activities which are core to community foundations (fund development, donor services and grant-making) and those which they may support (such as local projects of a more community development type). There was a very clear feeling across the majority of foundations that there needs to be a “Slovak model”, which may differ from the “pure” US model, as it needs to take account of local circumstances. The key question is what predominates in community foundation core activities and how balances are achieved. Additionally, locality issues may mean that foundations display different characteristics across Slovakia, in recognition of their responsiveness to local needs and conditions. **Setting a core standard, which should include community foundations building endowment, offering donor services and providing grants, will allow for local divergence within a national framework.**
- ◆ A **national campaign on philanthropy** could be valuable, provided clear goals are set for such a campaign. It is suggested that any national campaign would primarily focus on the concept of philanthropy in general, leaving the **community** philanthropy link to the local community foundations. Therefore a national campaign should only be developed with the full support and commitment of the local community foundations and any such initiative must enable them to develop local campaigns in line with any a national campaign. Funding support would therefore be needed for local campaigns which could run concurrently with a national campaign.
- ◆ **Further support for community foundation development** is essential if the ground work which has been achieved is to be built on. No foundation is yet at a sustainable level, and any

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programmes should recognise the need for a realistic timescale, probably up to 5 years. Programme support needs to include: core funding (particularly for new and smaller foundations); re-granting monies (which could have a requirement that such funding is matched from local sources, both local government and other donors); a further challenge fund (which could have different levels, to give smaller foundations an opportunity to meet the challenge); technical assistance support, for marketing, PR and also for further training and development. Core costs are a major challenge as all foundations noted that in current conditions in Slovakia, donors are unwilling to support core costs. Charges for donor services are also difficult to apply. If foundations are to continue to develop professionally, they need trained core staff who are able to fund develop as well as grants administrate. Community foundations need to be encouraged to develop written three to five year strategies, in which Board members are fully involved in both the development and implementation of these strategies.

- ◆ **Further training** needs to focus on specific technical issues which relate to community foundation development, rather than on more general community development issues. This needs to include issues such as investment as well as fund development strategies. Specific training programmes need to be developed for Board members; however recognising the time constraints on Board members, new ways of delivering Board support, through distance learning and internet need to be considered. An opportunity for Board members from different foundations to meet (perhaps annually) needs to be considered, as this would help in developing consciousness on the part of Board members that they are part of a network, as well as enabling “training” on Board roles, particularly in relation to fund development to be undertaken. Board development is a key area, as Boards are the “champions” of community philanthropy in a locality.
- ◆ There is an issue about the **availability of trainers** who have expertise in both training and in community foundation development. A specific programme needs to be developed which would allow trainers to develop these skills. This may need trainers to be given opportunities for travel to work with community foundations and their trainers in other countries.
- ◆ Community foundations need to start exploring how they are positioned in relation to **accession to the European Union**. Support is needed for networking with community foundations elsewhere in Europe, with opportunities for study and working visits as well as conferences etc. This issue needs to be taken further with relevant international bodies, such as the European Foundation Centre.
- ◆ The parts of the evaluation which were concerned with the community level grant recipients identified a number of key issues which need further discussion in the context of what is the role of a community foundation in Slovakia. As well as the grants, all community interviewees noted the **“value added” role of community foundations** in assisting in the development of professionalism in community based organisations, by providing support in formulating projects, filling in forms etc. Providing this kind of technical assistance is an important part of effective grant-making. There was a strong view that in the absence of other types of local level NGO support organisations, community foundations could play this role. Suggestions included NGO “incubator” and office space, as a base for meetings, with community foundations playing a role in networking at the local level by bringing their grant recipients together. Assistance with accounts and with publicity would also be welcomed. It was suggested that community foundations could be encouraged to provide these latter services with the support in kind of donors. However, as noted elsewhere in this report, this



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may not be appropriate core activity for community foundations, but could be work that they facilitate, by providing support for this type of development being undertaken by other organisations in the community. Encouraging donations in kind which could be passed on to local NGOs could be seen as part of their donor development function, but specifically developing NGO resource centre functions could significantly distract community foundations from their core activities as community foundations.

- ◆ A number of points were made about the types of **grants** that community foundations can offer and these should be considered by individual foundations. These points included: larger grants, areas of coverage, and developing priorities. The development of grants programmes will depend on foundations building up their core work in relation to endowment development and donor services.
- ◆ At all levels, community grant recipients, donors and other stakeholders, the transparency of community foundations was recognised and appreciated. All community foundations should develop **written strategies**, with the involvement of their Board members, which should be widely available in their local communities. Community foundations should be encouraged to undertake regular **needs analysis** in their communities to assist with both priorities for grants programmes and also to convey to donors the ways in which they can most effectively support the improvement of the quality of life for local citizens.
- ◆ Further work is needed on the **spread of community foundations** across Slovakia. There is a risk that increasing numbers of foundations in an unstrategic way will reduce the likelihood of future sustainability of foundations. Whilst the locality issue is of critical importance, realistic areas of operation need to be encouraged and some mergers of foundations may need to be considered, particularly in the Presov area. Where existing foundations would wish to extend their range of operation to a neighbouring area, provided this is logical in terms of local links and connections, it should be actively encouraged, possibly with specific resource support (as in Pezinok to Trnava, and Zilina to Martin). The model adopted by Banska Bystrica which ensures local representation on Boards and separate grants commissions is recommended in these circumstances, to ensure the local connection.

Overall, the evaluation found an effective programme, which has contributed significantly to the development of community philanthropy in Slovakia through the growth of community foundations. Further discussion is needed on a range of issues, which will assist in strengthening these developments and building towards the future and long term sustainability both of community foundations themselves, and through them of the non-profit sector and civil society in Slovakia.

